

SENATE BILL NO. 72

INTRODUCED BY MANGAN, LEWIS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A CONTINUATION OF EMPLOYER OR RETIREE CONTRIBUTIONS TO THE STATE GROUP HEALTH INSURANCE PLAN AS A RETIREMENT INCENTIVE FOR CERTAIN STATE EMPLOYEES; PROVIDING THAT THE COST OF THE RETIREMENT INCENTIVE BE OFFSET TO THE EXTENT POSSIBLE BY VACANCY SAVINGS; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Retirement incentive -- continuation of health insurance. (1) Upon
EXCEPT AS PROVIDED IN SUBSECTION (2), UPON termination of employment between July 1, 2005, and October 1, 2005, a state employee who is eligible for normal retirement by having reached normal retirement age, as defined in Title 19 for the retirement system in which the employee is a member, and who is eligible, pursuant to 2-18-704, to remain on the employer's group health insurance plan or a state employee whose termination of employment within the time period specified in this section results in a disability retirement is entitled to a continuation of the employer contributions under 2-18-703 or payment of the retiree-only premium, whichever is less, for a time period equal to 1 year for every 5 full years of the employee's state of Montana public service, NOT TO EXCEED 4 YEARS OF EMPLOYER CONTRIBUTIONS OR TERMINATING WHEN THE EMPLOYEE BECOMES ELIGIBLE FOR
MEDICARE UNDER 42 U.S.C. 1395, AS AMENDED, WHICHEVER IS SOONER. THE CALCULATION OF 5 FULL YEARS APPLIES, irrespective of any break in service.

(2) A STATE EMPLOYEE WHO IS A MEMBER OF THE TEACHERS' RETIREMENT SYSTEM PROVIDED FOR IN TITLE 19,
CHAPTER 20, OR THE UNIVERSITY SYSTEM OPTIONAL RETIREMENT PROGRAM PROVIDED FOR IN TITLE 19, CHAPTER 21,
IS NOT ENTITLED TO THE RETIREMENT INCENTIVE PROVIDED FOR IN SUBSECTION (1).

NEW SECTION. Section 2. Legislative intent. (1) The legislature intends that the retirement incentive
provided under [section 1] be offset by vacancy savings within each agency, as defined in 2-18-101, and within
the Montana university system and further intends that a position that becomes vacant under the retirement
incentive must be filled at the entry-level salary for that position, pursuant to 2-18-303(1)(b), unless the position
is filled by a person who transfers laterally at the same grade and longevity level.

(2) IF PERSONNEL VACANCIES DO NOT OCCUR, RETIREMENT COSTS EXCEED AGENCY RESOURCES, OR OTHER CONTINGENCIES ARISE IN AN AGENCY, THE OFFICE OF BUDGET AND PROGRAM PLANNING SHALL ALLOCATE SUFFICIENT FUNDS TO THE AGENCY FROM THE FUNDS APPROPRIATED IN [SECTION 5(2)] OF HOUSE BILL NO. 13 FOR THE PERSONAL SERVICES CONTINGENCY.

NEW SECTION. Section 3. Contingent voidness -- coordination instruction. If HOUSE BILL NO. 13 IS NOT PASSED AND APPROVED OR IF [this act] and House Bill No. 2 13 are both passed and approved ~~and if the appropriations contained in House Bill No. 2 are not accompanied by a narrative stating that appropriated amounts for personal services reflect reductions totaling at least the cost of the incentive projected for [this act]; then [this act] is void.~~ BUT HOUSE BILL NO. 13 DOES NOT CONTAIN AN APPROPRIATION FOR THE PERSONAL SERVICES CONTINGENCY INCLUDED IN [SECTION 5(2)] OF HOUSE BILL NO. 13, FIRST READING COPY, THEN [SECTION 2(2)] OF [THIS ACT] IS VOID.

NEW SECTION. Section 4. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 2, chapter 18, part 8, and the provisions of Title 2, chapter 18, part 8, apply to [section 1].

NEW SECTION. Section 5. Effective date. [This act] is effective July 1, 2005.

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